



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

MODULE CODE: LCMB7003
STRATEGIC MANAGEMENT

ASSESSMENT

ATHANASIOS KARKATZOULIS

STUDENT NUMBER: 2011249
2011249@student.uwtsd.ac.uk

MODULE LECTURER: DR GLADIUS KULOTHUNGAN

MBA IN GENERAL MANAGEMENT
LONDON, MAY 2021

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
1. INTRODUCTION	2
2. Strategic analysis of Tesla's business environment	3
Tesla's SWOT analysis	4
Tesla's Porter 5 analysis	8
Tesla's PESTEL analysis.....	9
3. Tesla's Strategic Direction	11
Tesla's VRIO Analysis.....	11
Tesla's Value Chain Analysis.....	12
4. Strategy Formulation	14
Tesla's Vision	14
Tesla's Mission.....	15
Tesla's Objectives	15
5. Strategy Implementation	16
6. Recommendations.....	17
7. Conclusion.....	19
REFERENCES.....	20

EXECUTIVE SUMMARY

This report aims to conduct a comprehensive analysis of the strategic management of the most innovative and Avant guard automotive industry, Tesla Inc. The analysis is centred around the current and emerging issues and surroundings that the company needs to address by implementing strategic analysis theories and models. The findings highlighted the company's strength, threats, mission, and competitive advantage which are leading their strategies towards market penetration and product development to elevate their competency in the market. Tesla follows a sustainable hybrid business model that has supported the company's leading position. To aid the strategic analysis, the report is structured around the four key evaluation stages: situation analysis, strategic direction, formation and implementation.

1. INTRODUCTION

Tesla Inc. is one the greatest and innovative automobile manufacturers of electric cars that operates with distinct working prototype, paving the road for different mobility concepts and operational habits (Sull and Reavis, 2019). Started as a start-up in 2003 in Silicon Valley, California by Marc Tarpenning and Martin Eberhard. Their inspiration was to design electric cars of high performance and fun to drive. In 2004, Elon Musk invested and followed this vision, even though none of the board had experience in the automobile manufacturing. However, in 2008 and due to the fact that Elon Musk felt he had 'many chips on the table', he appointed himself a CEO and took completely control. Since then, Tesla's board consists of close colleagues and trustees of Musk's other entrepreneurial ventures (SpaceX, Solar city). To date the company has cutting edge manufacturing plants in California (Fremont) and Nevada (Gigafactory, employing more than 34,000 people around the world). The company's first model was Roadster followed by Model S, X and 3 (Tesla, 2021).

The company's share went public in Nasdaq under the name TSLA in 2010 at \$17, and by May 2021 ranges at 680 per share, with a market cap of \$680 billion; the highest of all the sector. Today, after 10 years Tesla belongs in index S&P500 amongst other successful innovation ETFs (ARKK) (Yahoo!Finance, 2021).

2. Strategic analysis of Tesla's business environment

One the most important function of Tesla is not only the manufacturing of luxury electric cars but also the in-house production of approximately 80% of their car's components (electronics, monitors, cables etc.) together with their own battery (Sull and Reavis, 2019). In addition, they operate as direct dealers for their car sales, dedicated locations while also offering car software updates. All these are supported by an ever-expanding network of car chargers and other power systems. Their goal is to maintain the lion share in the field of EVs dedicated to a niche market; rich, tech nerds and environmentalists. Moving forward in expanding their currently problematic sales, overcome their issues with the auto driver concept and improve the production efficiency, Tesla needs to focus on their strategic management attain competitive advantage. This process will also prove valuable when introducing the new concepts of shared transportation, fully autonomous vehicles and improve lifelong batteries.

The strategic management of a company is a key function of the management team that involves the design and implementation of their long-term main goals while increasing the stakeholder wealth (Johnson *et al.*, 2017). This continuous process includes the evaluation, analysis and planning of the resources, abilities, and the internal and external environments. With regards to these, the strategies are adopted to identify the company's position and lead the direction towards its strengthening. Key steps of strategic management are the situation analysis, strategic direction, formation and application (Lynch, 2018).

We live in a world where business environment is dynamic, diverse, agile, and adaptable, facing constant challenges which needs addressing. This is why the strategic management tools are been implemented to scan the micro and macro surroundings to impact decision making; PESTEL analysis, SWOT analysis etc (Johnson *et al.*, 2017).

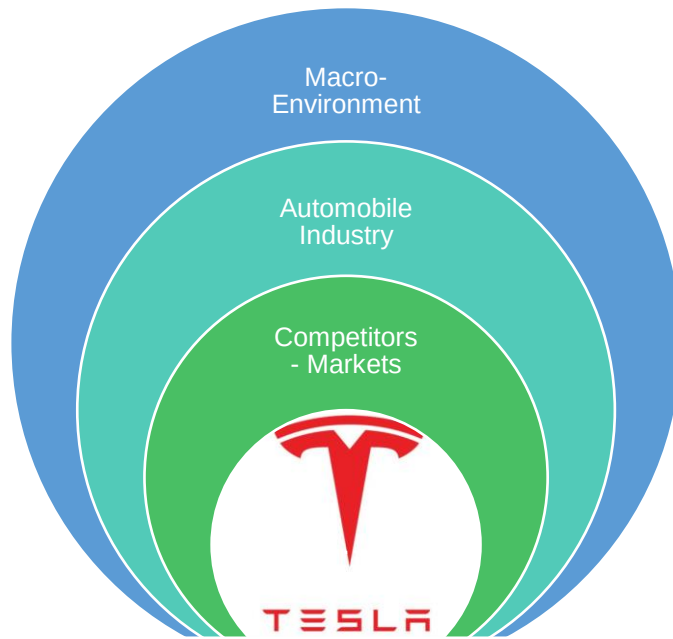


Figure 1: Tesla's business environment.

Tesla's SWOT analysis

Strengths

Market Value: The company's market value has lately significantly risen. The market capitalization has grown to approximately \$600 b in 2021, making it the most valuable car manufacturer in the world (Yahoo!Finance, 2021). TSLA stock swiftly ascended in January 2021, so the company temporarily became the 7th largest US corporation. Regardless of the share drops to date, in terms of market capitalization, the company is positioned considerably ahead of other major global car makers and competitors.

Technological footprint: The company concentrates on innovation in the field, one of the principal factors driving rapid success and interest growth of Tesla vehicles. The car market is strongly contested, but Tesla is a separate class of car manufacturers (Tesla, 2021). They create electric cars for the top end market, loaded with technology. In terms of quality, construction, efficiency and passenger safety, Tesla cars are exceptional. In 2019, they invested around \$1.4 b in R&D only, which highlights the company's long-term commitment to technical growth. Apart from the vehicles, Tesla offers upgrades to their car software's even remotely, and have designed a far more superior power storage range than other EVs/ hybrids.

Rapid market growth: Since the introduction of the Model 3, Tesla's sales have globally increased. In 2019, the company reported a dramatical rise in car sales (367000 units vs 245000 the previous year), with a subsequent decrease in demand due to COVID-19, while maintaining its growth momentum. Between April and June 2020, Tesla shipped approximately 90,650 units, approximately 3000 more than the same period in 2019, which indicates the company's robustness (Pratap, 2020).

High car performance

Their cars are ranked among the greatest on the road in terms of overall performance. Aside from zero-emission cars and greater battery range, they are also among the safest with almost no maintenance compared to other cars. Their flagship car (Model 3) is capable to travel approximately 370 miles without stopping for recharging. This is more than half the travel range of rival vehicles by other manufacturers (Sull and Reavis, 2019).

Leader in EV market

The company is the global leader in the field of battery-electric vehicle manufacturers and retailers. In the US, Model 3 has a market share of 60% in EVs, while in China has 23% (Sharma, 2016).

Expanding charging grid

The company is dedicated on expanding its grid of car chargers worldwide, since this complements the sales growth. They have built supercharger stations in key cities, hotels and highways; 1971 supercharger stations, totalling 17,467 superchargers to date (Pratap, 2020).

Another important strength of Tesla is ***Elon Musk persona*** itself.

Weaknesses

Revenue & operating expenses costs

Tesla is not as profitable as other car brands, despite its fast market cap growth. It has been losing money for many years. The company's net loss in 2020 was \$862 m, down from \$976 and \$1,962 m, in 2018 and 2017, respectively. Tesla's sales and operating costs have increased as demand has increased. It's cost of sales was \$9.5 b in 2017 and increased to \$20.5 b in 2019 (Yahoo!Finance, 2021).

Limited manufacturing capability

Tesla seems to be short on production resources to deliver what it has promised so far. To keep up with demand, the firm would need to increase its manufacturing capacity. When it first announced semi-trucks in 2017, for example, the company said that they will be available by 2019. To date, only a few designs have been made available (Sull and Reavis, 2019).

Customer base limitations

Tesla vehicles are primarily designed for the higher end of the industry. Even its most affordable model, Model 3 costs about \$48,000, which is still out of reach for most of the average tech-savvy, environmentally conscious consumer (Pratap, 2020).

Limited market presence

Although the US and China are Tesla's most vital markets, the company's global reach is small in comparison to the other major carmakers. Apart from opening Tesla stores in emerging markets, the company would need to extend its superchargers grid to sustain car sales in new locations.

Opportunities

New markets

Tesla is in urgent need to grow their profits, thus should seek expanding their presence in emerging markets such as India and South America. Regardless of the pandemic, these regions have seen rapid financial growth in the past years and a sizeable number of customers are enthusiastically anticipating the opening of Tesla stores (Parekh *et al.*, 2018).

Growing EV demand

Over the last few years, global demand for electric vehicles continues to grow. Government incentives and the environmental footprint of these vehicles have been major levers towards this trend. The demand for EVs is expected to reach more than \$567 B by 2025, providing Tesla with a positive prospect (Arbib and Seba, 2017).

Innovation footprint

Aside from strengthening the current product line, Tesla will gain further strategic competitive advantage by keep investing in research and growth (Robotaxis etc.). It is mostly due to Tesla's

emphasis on creativity, innovation and differentiation that has helped them become one of the most known brands without investing a fortune on advertisements (Musk, 2016).

Threats

Covid-19

The pandemic's effect on the car industry has been one of the most serious. Though Tesla has proven to be a relatively resilient, its profits have fallen in the first two quarters of this year and there is still uncertainty in the market (Yahoo!Finance, 2021).

Competitors

The automobile competition is putting a lot of pressure on Tesla, since more makers have joined the game of *musical chairs*. Rival companies are developing their own entirely electric vehicles or have already released them while still working to improve battery ranges (Polestar, Nissan etc.) (Sull and Reavis, 2019). One way to keep leading in EVs would be to launch a substantially lower-cost model for developing markets and achieve stronger sales.

Regulation pressures

Since the company belongs to the industries aiming to lower carbon footprint, governments are offering incentives to manufacturers of fully electric cars. These aided Tesla's market penetration in China, Europe and US, where it competed with other EVs. However, some of these incentives are due to expire soon, thus leading to potential revenue loss (EU, 2018). In addition, Tesla faces, taxation and other regulation risks, such as those associated with self-driving vehicles.

Autonomous vehicle failures

While this report is being written another fatal accident in Tesla's autonomous vehicles has been reported. This is driving a considerable downturn in their share value and losing credibility on the much anticipated autonomous driving system (Reuters, 2021). There is still a long way towards consumer's trust.

Tesla's Porter 5 analysis

Regardless of other car manufacturers, Tesla's **suppliers** have a **low** average **bargaining power** (Fig.2). This means that Tesla's production is not heavily depended on the supplier's control and ability for one main reason; Tesla manufacture their own car parts, electrical, software, and most importantly batteries. Apart from that, EVs require less than 1/10 of parts compared with conventional cars (Sull and Reavis, 2019).

The company is not necessarily worrying about **Substitutes** products so the threat factor can be characterised as **Moderate**. Even though major competitors are working hard to improve EVs in the market, Tesla is still the undisputed leader in the sector; with a superior battery range, overall performance and passenger safety (Jarzabkowski et.al, 2015).

As far as the **bargaining power of buyers** is concerned this is **limited** for several reasons (Fig.2). Primarily, the fact that they are not numerous EV vendors and many alternative products in the market (Sharma, 2016). Tesla's cars apart from technically outperforming, the rivals they are appealing due to user friendly interfaces and brand awareness, which leaves **moderate** room for negotiations.

The risk of **new entrants** into the electric car manufacturing market is **very low**. The investment cost towards R&D, human resources, manufacturing facilities and the overall capital needed to enter in this sector is significantly high (Sull and Reavis, 2019). Apart from this, there are regulatory and distribution obstacles too. Even if all these are overcome no new company can win the market share quickly.

The only **strong** factor according to Porter's theory is that of the **Competition** between existing players. Tesla has major competitors since it operates in two automobile areas; manufacturing both full electric and luxury level cars (VW, Nissan, Volvo, etc) (Parekh *et al.*, 2018).

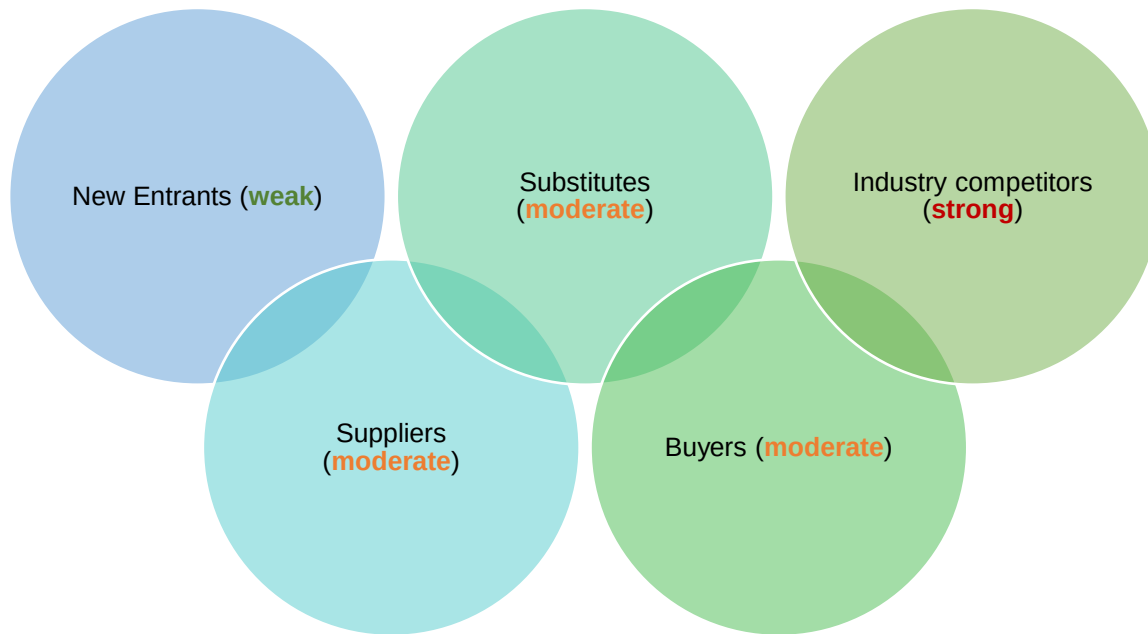


Figure 2: Tesla's Porter 5 analysis schematic.

Tesla's PESTEL analysis

Tesla is operating in multiple locations around the world, meaning that it may also have regional threats through local circumstances, economies, or regulations. Therefore, the PESTEL analysis is a useful tool that examines the six main macroenvironments that may influence a company (Barney and Hesterly, 2019).

Political

The car manufacturing industry is heavily regulated around the world, therefore the political environment in which the company operates is crucial for its growth and survival. The political circumstances in specific locations affect dramatically the car market and its competitiveness (Arbib and Seba, 2017). For instance, the Chinese car market varies greatly from the US market in terms of both demand and supply. However, international players find it difficult to enter in the Chinese market due to local regulations and governmental control of the industry. Lately, governments have realised their vital role in the effort to control air pollution and carbon footprint, thus providing subsidies and tax reliefs to encourage the expansion of EVs.

Economical

One of the most important driving environments that surrounds vehicle sales. When the society flourishes financially people are more prone to buy cars, whereas when the financial activity is low it leads to a dramatic drop in car sales. The most recent pandemic resulted in devastated economic performance putting a strain on the entire automotive industry like Tesla. Apart from a sharp drop in revenue, businesses are now concerned over supply chain instability. During the pandemic, Tesla has proven to be the most durable brand due to its niche market (Sharma, 2016).

Sociocultural

There are several sociocultural variables that influence market practises and brand sales. Amongst these, the local trends and habits and social movements.

Businesses' social and environmental influence is being more widely recognized around the world. Maintaining a safe and strong social picture is now much more critical for companies. Customers are worried with how industries impact climate change, so the growing environmental consciousness around the world is a major problem for car manufacturers. Consumers choose products that have a high environmental footprint; in which Tesla is leading the race.

Technological

Technology is moving the world ahead which is significantly true in the automobile industry. Tesla does not follow the advances but is a synonym of innovation itself. They aim to leave a technological footprint in sustainable transportation solutions, not only by creating EVs but also arrange of futuristic driving concepts.

Autopilot, another anticipated option, is now being tested on Tesla models. Also, Tesla has an integrated self-driving assistance technology, which incorporates active cruise control and lane guidance while still controlling speed, steering, and braking. Drivers can use an application to monitor and upgrade their vehicles via Wi-Fi (Sull and Reavis, 2019; Tesla, 2021).

Environmental

Nowadays our planet is in danger which is associated to a high extend from the transportation gas emissions and automobile industry. All stakeholders, consumers, governments, and the car industry, now more than ever have a great opportunity to ensure sustainability. The increasing environmental awareness is fully supported in Tesla's business model towards green transportation. For example, policymakers have created schemes that assist zero-emission companies like Tesla expand their operations in multiple locations while offering tax credits, funding, and other incentives (EU, 2018).

Legal

The automobile industry is heavily regulated by laws not only with regards to environmental restrictions but also with laws that govern labour and quality control of car manufacturing. Tesla should follow the strict framework around the standards of product quality and driving safety. In addition, the autonomous driving scheme is an area where Tesla need to have a constant eye to avoid legal implications (Pratap, 2020).

3. Tesla's Strategic Direction

Tesla's VRIO Analysis

VRIO is an abbreviation for Valuable, Rare, Inimitable, and Organized. This type of framework aids the strategy while assessing the company's internal resources and competencies. This assessment is a tool towards the strengthening of the competitive advantage since it gives an idea on why a specific company differs from the others performance-wise. Only if the specific assets, resources, and competencies of a company meet all four conditions this company can gain a sustainable competitive advantage. When it meets less expectations, then the advantage ranges from short-term to similarity with others (Barney and Hesterly, 2019).

Table 1: Tesla's VRIO analysis

Core competencies	Valuable	Rare	Inimitable	Organized	Advantage
CEO (Elon Musk)	✓	✓	✓	✓	Sustainable & Competitive
Brand Image	✓	✓	✓	✓	Sustainable & Competitive
Innovation	✓	✓	✓	✓	Sustainable & Competitive
Customer experience	✓	✓	✓	✓	Sustainable & Competitive
Product Range	✓	✗	✓	✓	Temporary
Proprietary Battery	✓	✗	✓	✗	Competitive parity
Market Position	✓	✓	✓	✓	Sustainable & Competitive
HRM	✓	✗	✗	✓	Competitive parity
HQ in Silicon Valley	✓	✗	✓	✓	Temporary

Tesla's Value Chain Analysis

This framework has been created by Michael Porter which identifies the procedures that are put in place with the aim to design a superior end-product greatly appreciated by the users. This useful tool is grouping the multiple activities; primary and support, to inform management on those activities of strategic importance and of competitive advantage (Lynch, 2018). In the process, the supporting activities are further appreciated since they complement the value chain and mission of a business.

Primary activities of the value chain are associated directly with the formation of the end-product.

- **Inbound logistics** are those processes that involve the transportation, storage and delivery of incoming supplies in the business. Tesla has built numerous warehouses, primarily in the USA, Europe, and Asia (Taiwan). The main manufacturing plant, Fremont is found in California, where is the main battery developing plant is Gigafactory in Nevada (Tesla, 2021). The company has decided to perform vertical integration in the manufacturing procedures from

their battery to their seats (from hardware to software) in order to overcome issues with suppliers and ensure top experience. In addition, they have invested in the digitalization on the supply chain when needed.

- **Operations:** Tesla has grown its operation as well as construction, dealership and supply chain grid worldwide. They have invested more than a billion dollars to expand production by implementing highly automated production line; 95% was robotic. Also, company's superiority lies in the fact that all the cars are built to order (Sull et al., 2019).
- **Outbound logistics** refer to those processes that involve the transportation, storage, and delivery of the outgoing end-product. Tesla is offering these facilities in the multiple built or leased warehouses in the USA, Europe, and Asia. Namely they provide a distribution of their car models in 29 countries. Furthermore, they offer online reservations and visits to their storefronts and galleries (Tesla, 2021).
- **Sales & Marketing:** Unlike other carmakers Tesla has invested much less in their marketing campaigns via conventional or digital channels. They have created an important brand awareness primarily through their cutting-edge mobility concepts and environmental consciousness. Needless to explain the marketing power of Elon Musk himself, who moves the markets even with one Tweet. Finally, they sell their cars through company owned stores to avoid intermediates and obtain immediate feedback (Lambert, 2018).
- **Products & Services:** Their portfolio include 6 main car models as well as their batteries; Model S, 3, X, Y, Cybertruck and the Roadster. To complement their car sales they have designed and installed a large network of superchargers in key locations. Most importantly they offer after sales service even through their application remotely (Tesla, 2021).

Support activities of the value chain are interconnected with the primary ones to enhance their success and efficiency (Sharma, 2016).

- **Technology**

Cutting-edge engineer advances, big R&D (approx. \$1.5 billion per year), energy efficiency and storage innovation.

- **Human Resource**

48016 employees (2019), recruiting top talents with high wages. Start-up business mindset.

- **Procurement**

Supplier partnership & alliances (Daimler AG, Panasonic and Toyota MotorCorp)

- **Infrastructure**

2 segments; automobile and energy efficiency with respective plants.

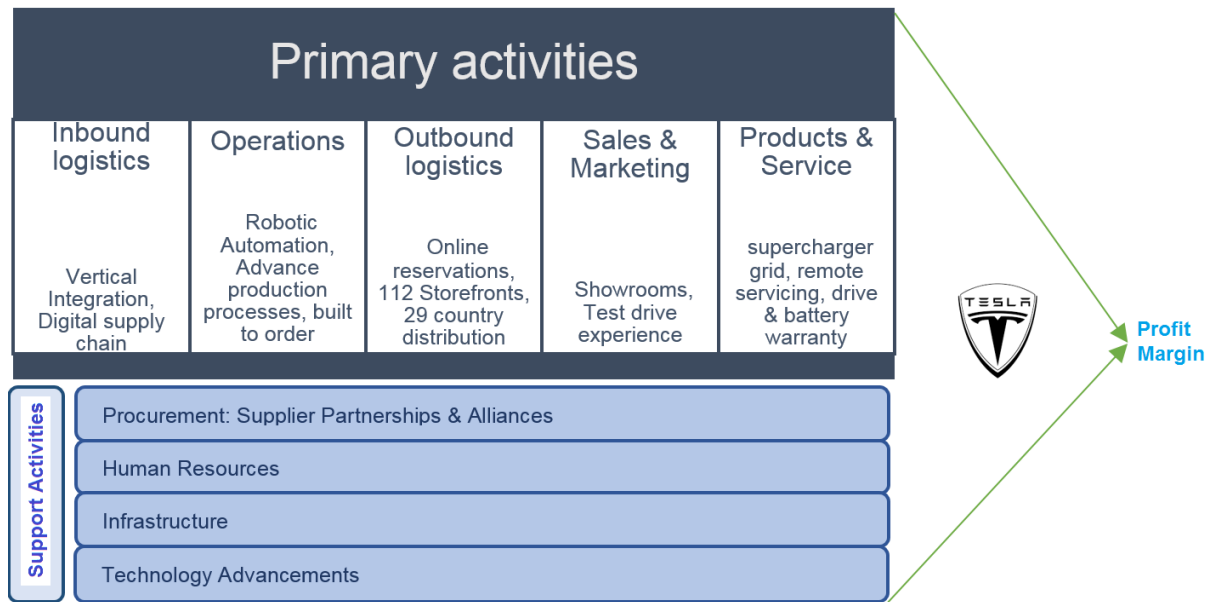


Figure 3: Tesla's Value-Chain analysis schematic.

4. Strategy Formulation

This is a method of defining and developing a company purpose, mission, and priorities, as well as selecting the necessary and best courses of action among all possible alternative scenarios to reach them. Each company expects specific outcomes, which can only be accomplished through specific steps or an informed framework. Those steps and framework will be formed via strategy formulation (Johnson *et al.*, 2017). The company's statements of mission and vision both complement the business objectives towards achieving their ultimate goals. The formation of strategies is also contributing in employee motivation and empowerment, another factor that further secures the common beneficial goals.

Tesla's Vision

The company's vision statement is summarised in '*creating the most compelling car brand of the 21st century by driving the global transition to electric vehicle*' (Musk, 2016). Through their vision Tesla has comprehended that the only way forward would be to put as top priority the use of alternative fuels and alternative energy. Their main focus is to apply electrification in all of their systems and vehicles. In more detail:

- **Create the most compelling car brand.** In this aspect, Tesla has been a recognised leader in the automobile manufacturing industry; in terms of safety, sustainability, quality and

performance. However, Tesla envisions to also lead the industry's understanding of the advantages of green cars through the concepts of fully electric powered cars. The company has a proven record of exhausting all available resources and inspiration towards this.

- **Drive global transition to EVs.** Tesla aims has as top priority to impact consumer behaviour towards electric vehicles embracing. This is evident from the company's efforts to expand their car selling and supercharges network around the world. In addition, they have built numerous manufacturing plants and warehouses in multiple locations. As a result, Tesla functions as an operations and manufacturing prototype for similar companies, creating a trend towards zero carbon cars.

Tesla's Mission

The company's mission statement is '**to accelerate the world's transition to sustainable energy**'. Indeed, the conventional business models and fossil fuel technologies have reached maturity. Now is the time for companies with the ability to transform and adapt in the new era, to lead the race and cherish the prizes. Even though this sound futuristic, the environmental increased pressures and societal global demand have put sustainability in the forefront of most companies (Arbib et al., 2017; Tesla, 2021). Tesla's devotion on this is further illustrated in the abandoning of the previous mission statement that referred to sustainable transform only. The company sees sustainable energy as the overall umbrella that supports their efforts with renewable energies in all their activities. Another aspect of the mission statement is, Tesla's focus in improving the general well-being of communities, via the encouragement of less environmental devastating practises that have a direct impact in human health and their surroundings.

Tesla's Objectives

The company's objectives are interconnected with the vision and mission in terms of strategic management. Setting objectives is vital in the company's survival, existence and growth. Therefore, the definition of objectives is important in the stage of strategy formulation and summarizes longer term aspirations of the company. The objectives should be clear, understandable, measurable, realistic with a specific time frame. It has to be noted that operating in dynamic environments requires some portion of flexibility when setting those objectives (Barney et al., 2019). Tesla's current objectives orbit around sustainable transportation, autonomous driving, shared automobile ownership, energy generation/ storage and global environmental awareness. In addition, Tesla aims to provide societies with more effective cars that are

considerably more cost effective, allowing communities to have savings towards other beneficial purposes. Finally, as stated in Tesla's master plan and showcases flexibility is the fact that Tesla's objective was to enter at the upmarket, where buyers are ready to 'pay a premium and then drive down market' to larger unit capacity and lower charges for wider audiences (Musk, 2016).

5. Strategy Implementation

The Ansoff matrix scheme is assisting any company management to understand the steps that need to be followed to rapidly enter or saturate the marketplace and report elevated earnings (Ansoff, 1991; Dudovskiy, 2021).

The four main strategic aspects for Tesla to consider will be:

Market Penetration (low risk, high reward) – This strategy helps the company to enhance the sales of their existing range of products in the existing markets, by strengthening the company's market share. Even though Tesla has achieved to be dominant in the market share of electric vehicles in the US (60%), there is still a lot of potential to grow its share in the overall car manufacturing market (0.2%). This market penetration will be successful if Tesla adopts more aggressive marketing methods, extensive visibility and improved customer journeys experiences (Rowland, 2018).

Product Development (medium risk, high reward) – It combines the strategy that encourages the launching of a company's new product or service in the already establish market. Namely, Tesla's Cybertruck model and solar panels for the current models. Key to this strategy is the extensive investment in R&D to have a fully validated and superior product. The effort to enter the existing market is combined with product promotion, press conferences and other marketing methods; in the case of Tesla from social media and Musk's famous tweets. Also, they can endorse celebrities and athletes to drive their electric cars, like Giannis Antetokounmpo, Barack Obama, Prince Harry etc. In any case, Tesla's product development has two valuable cards; the undeniable technological and environmental footprints.

Market Development (medium risk, high reward) – This strategy refers to the company's efforts to expand operations and sales in new markets with the existing range of products; both geographically and demographically. The company should follow an aggressive tactic to enter in the emerging market economies like India, China, South Korea etc. In addition, should target countries in which either governments are offering incentives for green initiatives or are

environment conscious (Sharma, 2016). The global environmental awareness is a great opportunity for Tesla to penetrate in existing international marketplaces. According to Musk and his master plan part Deux, Tesla aims to be accessible to more mainstream pockets (Musk, 2016).

Diversification (high risk, low reward) – Refers to the company's strategies to launch new products or services to the new marketplaces. It is not the preferable strategic implementation method for Tesla, as they focus more on market penetration and product development for EVs and power storage solutions. It has to be noted though that Tesla is diversifying itself by shifting consumers opinions on transportation through their concepts of alternatives to private car ownership and mobility scenarios. It is projected that in 2030 private car ownership will decrease by 80% and transportation will be assisted by autonomous on-call electric cars (Arbib and Seba, 2017). Financial reports state that the above could bring an additional revenue to the company between 2-6 billion dollars, while the Tesla car owner could earn up to 7000 per year (Pressman, 2018).



Figure 4: Tesla's Ansoff matrix schematic.

6. Recommendations

As discussed in the 5 Porter analysis the most important factor that influences Tesla's direction in the market is that of competition, which will become even more pressuring in the future. This means that further expanding its innovation, research and development is a key priority in the strategic formulation project. In more detail they can boost their competitive advantage with even higher battery ranges, and constant materials and design upgrade. The other major Tesla bets that need to be further supported is the autonomous driving system, solar car roofs, shared car mobility and software improvements. If these are successfully implemented, they will skyrocket the company's popularity and competitiveness. And as Musk envisions 'Empower your vehicle to raise money for you, while asleep' (Musk, 2016; Pressman, 2018).

The company should improve its financial profile in order to increase its profit and net income. This will be achieved via the expansion of the production capability and efficiency, but also via its penetration in new global markets. Tesla should examine ways to strengthen market presence and brand visibility specifically in places where incentives for green companies are offered. This will go hand by hand with raising environmental awareness and highlighting their zero-carbon technology with more powerful marketing campaigns.

Furthermore, to boost their car sales they should further expand their supercharges network around the world by supporting this complementary infrastructure even with other partners. The above, may also aid in achieving a wider customer base, which is characterised as currently limited from the SWOT evaluation. Apart from having charging stations everywhere, Tesla could attain a diverse advantage by launching new low-cost cars, affordable to a larger audience.

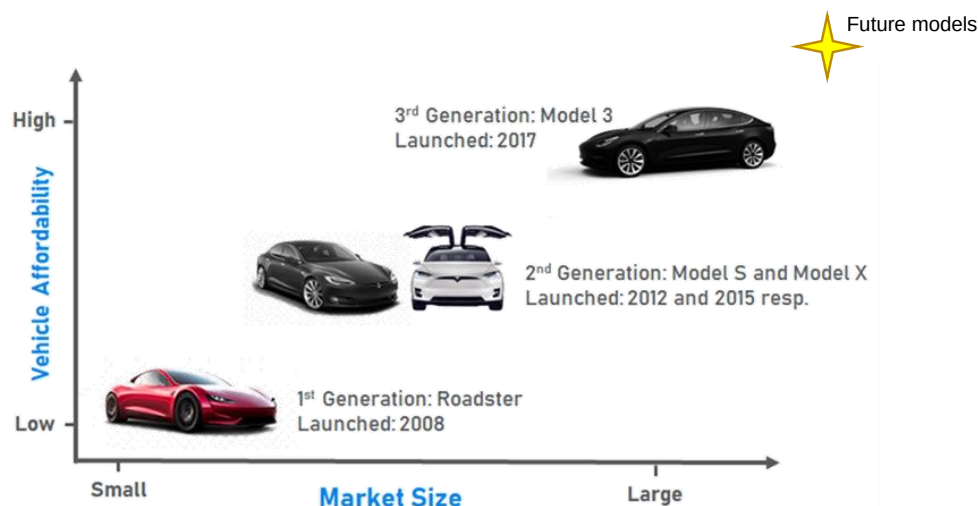


Figure 5: Tesla's product roadmap adapted from Parekh (2018).

7. Conclusion

Tesla is a pioneering company that with its resilience and effort has turned people's heads to be interested and believe that a sustainable and healthy environment can be a future reality. It is a company that changes the course of history and takes human history to another chapter.

Even though Tesla did not invent electrification in the automobile industry, has been leading the EV race by put in the forefront sustainable choices and solutions. If they succeed in being financially viable, the future belongs to them. If not, one thing is for sure, the world of transportation will be very different in twenty years from now.

REFERENCES

- Ansoff, H. I. (1991) 'Critique of Henry Mintzberg's: The design school: reconsidering the basic promises of Strategic Management', *Strategic Management Journal*, 12, pp. 449–461.
- Arbib, J. and Seba, T. (2017) *Rethinking Transportation 2020-2030*. Edited by 1st. Silicon Valley, CA: RethinkX.
- Barney, J. B. and Hesterly, W. S. (2019) *Strategic management and competitive advantage: concepts and cases*. 6th Global. Harlow, England: Pearson.
- Dudovskiy, J. (2021) 'Tesla Ansoff Matrix', *Business Research Methodology*.
- EU (2018) *A Clean Planet for all- a European Strategic long Term Vision for a prosperous, modern, competitive and climate neutral economy*. Brussels, Belgium.
- Jarzabkowski, P. and Kaplan, S. (2015) 'Strategy tools-in-use: a framework for understanding "technologies of rationality" in practise', *Strategic Management Journal*, 36, pp. 537–558.
- Johnson, G. et al. (2017) *Exploring Strategy: Text and Cases*. 11th edn. Harlow, England: Pearson.
- Lambert, F. (2018) 'Tesla is currently fighting for the right to sell its cars directly', *Electrek*.
- Lynch, R. (2018) *Strategic Management*. 8th edn. Harlow, England: Pearson.
- Musk, E. (2016) *Master Plan, Part Deux, Tesla*. Available at: https://www.tesla.com/el_GR/blog/master-plan-part-deux?redirect=no (Accessed: 12 May 2016).
- Parekh, D. et al. (2018) *Tesla - Strategic Management Analysis*, *Academia.edu*. Available at: https://www.academia.edu/7055342/Strategic_Management_Analysis_Tools%0Ahttps://jtkovacs.github.io/projects/Tesla-management-analysis.pdf.
- Pratap, A. (2020) *Strategic Analysis of Tesla Motors*.
- Pressman, M. (2018) 'Tesla's Ride Sharing Network could be a Game-changer', *Inverse*. Available at: <https://www.inverse.com/article/42580-tesla-ride-sharing-electric-car>.
- Reuters (2021) 'Two die in Tesla car crash in Texas with "no one" in driver's seat', *The Guardian*.
- Rowland, C. (2018) 'Tesla, Inc.'s Generic Strategy & Intensive Growth Strategies (Analysis)', *Business Management - Panmore Institute*, p. 2.
- Sharma, S. (2016) *The Tesla Phenomena - A business strategy report*.
- Sull, D. and Reavis, C. (2019) 'Tesla's Entry into the U.S. Auto Industry', *MIT - Management Sloan School*, 18(188), p. 28.
- Tesla (2021) *Tesla Web Page, Tesla Inc.* Available at: https://www.tesla.com/el_GR/solar (Accessed: 12 May 2021).
- Yahoo!Finance (2021) *Tesla Inc. stock price*. Available at: <https://finance.yahoo.com/quote/TSLA?p=TSLA&.tsrc=fin-srch> (Accessed: 14 May 2021).